LithiumAmericas

NEWS RELEASE

Lithium Americas Provides an Update on the Cauchari-Olaroz Lithium Project in Argentina

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug. 26, 2016) - Lithium Americas Corp. (the "Company" or "LAC") (TSX:LAC)(OTCQX:LACDF) is pleased to provide an update on the Cauchari-Olaroz Lithium Project ("Cauchari") joint venture with Sociedad Química y Minera de Chile S.A. ("SQM") in Jujuy province, Argentina.

The Board of the joint venture company, Minera Exar S.A. ("Minera Exar"), has recently been authorized to proceed with development planning for 50,000 tonnes per annum ("tpa") of lithium carbonate equivalent ("LCE") production capacity from Cauchari based on the following parameters: (i) a two stage development consisting of an initial phase at 25,000 tpa LCE capacity, followed by a second stage at 25,000 tpa LCE capacity; and (ii) a timeline targeting full stage one production during 2019.

Tom Hodgson, Chief Executive Officer of LAC, commented, "This new guidance is another exciting step forward in the project and a tangible example of what we hoped to achieve in the JV. The SQM technical team, with decades of development and operating experience, has analyzed existing and new data and collectively we have set a course of development that we believe will materially de-risk the advancement of Cauchari and enhance the project economics. Construction on a work camp, project roads and drilling platforms has commenced, and long lead items such as earth moving trials and pond liner tests are scheduled. Additional near term investment is expected as the exploration and development program is expanded. The decision to advance the project in a staged approach should reduce financing and shareholder dilution risks and represents the most sustainable approach to development of the Cauchari-Olaroz basin, consistent with our corporate mission."

About the Company

The Company is developing the Cauchari-Olaroz Lithium Project, located in Jujuy province, Argentina, in a joint

venture with SQM, and the Lithium Nevada project in Nevada, USA, with the intent to become a major supplier of lithium products. In addition, Lithium Americas is a supplier of organoclay products and specialty drilling additives for the oil and gas and other industries.

Forward-looking statements

Statements in this release that are forward-looking information, including statements about development planning targets and timing for production, are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the company's periodic filings with Canadian securities regulators. When used in this document, the words such as "believe", "estimated", "explore," "intent", "should" and similar expressions is forward-looking information. Information provided in this document is necessarily summarized and may not contain all available material information.

All such forward-looking information and statements are based on certain assumptions and analyses made by Lithium Americas management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks Factors" in the Lithium America's most recently filed Annual Information Form. The Company does not intend, and expressly disclaims any obligation to, update or revise the forward-looking information contained in this news release, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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